LAW OFFICE OF

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November 23, 2021

## **VIA ELECTRONIC FILING**

Ms. A. Shonta Dunston, Chief Clerk North Carolina Utilities Commission 4325 Mail Service Center Raleigh, North Carolina 27699-4300

RE: Duke Energy Progress, LLC's Proposed Notice to Customers and Request for Expedited Review

Docket Nos. E-2, Subs 1272, 1274, 1275 and 1276

Dear Ms. Dunston:

Pursuant to the North Carolina Utilities Commission's ("Commission") November 18, 2021 Order Approving Fuel Charge Adjustment in Docket No. E-2, Sub 1272, its November 8, 2021 Order Approving Joint Agency Asset Rider Adjustment in Docket No. E-2, Sub 1274, its November 18, 2021 Order Approving CPRE Rider and CPRE Program Compliance Report in Docket No. E-2, Sub 1275, and its November 18, 2021 Order Approving Proposed REPS and REPS EMF Riders in Docket No. E-2, Sub 1276, I enclose the proposed Notice to Customers of Change in Rates developed by Duke Energy Progress, LLC ("DEP") and the Public Staff.

DEP respectfully requests that the Commission review the Customer Notice as soon as possible to allow DEP sufficient time for the design, printing and programming of the notice to be included in customer bills during December 2021.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Robert W. Kaylor

Robert W. Kayla

Enclosure

cc: Parties of Record

## STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1272	)
In the Matter of Application of Duke Energy Progress, LLC, Pursuant to N.C. Gen. Stat. § 62-133.2 and Commission Rule R8-55 Relating to Fuel and Fuel-Related Charge Adjustments for Electric Utilities	) ) ) ) )
DOCKET NO. E-2, Sub 1274	) )
In the Matter of Application by Duke Energy Progress, LLC, for Approval of a Joint Agency Asset Rider for Recovery of Costs Related to Facilities Purchased from Joint Power Agency Pursuant to N.C.G.S. § 62-133.14 and Commission Rule R8-70	) ) NOTICE TO CUSTOMERS OF ) CHANGE IN RATES ) ) )
DOCKET NO. E-2, SUB 1275	) )
In the Matter of Application of Duke Energy Progress, LLC, for Approval of CPRE Cost Recovery Rider Pursuant to N.C.G.S. § 62-110.8 and Commission Rule R8-71	) ) ) )
DOCKET NO. E-2, SUB 1276	) )
In the Matter of Application of Duke Energy Progress, LLC, for Approval of Renewable Energy and Energy Efficiency Portfolio Standard (REPS) Compliance Report and Cost Recovery Rider Pursuant to N.C.G.S. § 62-133.8 and Commission Rule R8-67	) ) ) ) ) )

**NOTICE IS HEREBY GIVEN** that the North Carolina Utilities Commission (Commission), entered an Order in Docket No. E-2, Sub 1272, on November 18, 2021,

after public hearing, approving fuel and fuel related charge rate increases (including regulatory fee) of 0.1110 ¢/kilowatt-hour (kWh), 0.1220 ¢/kWh, 0.0800 ¢/kWh, 0.0570 ¢/kWh, and 0.2450 ¢/kWh for the Residential, Small General Service, Medium General Service, Large General Service, and Lighting customer classes, respectively. The increase equates to approximately \$35 million on an annual basis in the rates and charges paid by the retail customers of Duke Energy Progress, LLC (DEP or Company) in North Carolina.

These changes are effective as of December 1, 2021. The rate increase was ordered by the Commission after a review of DEP's fuel and fuel-related expenses during the 12-month period ended March 31, 2021, and represents actual changes experienced by the Company with respect to its reasonable cost of fuel and fuel-related costs during the test period. The net fuel and fuel-related cost factors for the Residential, Small General Service, Medium General Service, Large General Service, and Lighting customer classes are 2.371  $\phi$ /kWh, 2.297  $\phi$ /kWh, 2.404  $\phi$ /kWh, 2.527  $\phi$ /kWh, and 2.018  $\phi$ /kWh, respectively (excluding regulatory fee).

The changes in the approved fuel and fuel-related rates described above will result in monthly net rate increases of approximately \$1.11 for each 1,000 kWh of usage per month for the Residential customer class, \$1.22 for each 1,000 kWh of usage per month for the Small General Service customer class, \$0.80 for each 1,000 kWh of usage per month for the Medium General Service customer class, \$0.57 for each 1,000 kWh of usage per month for the Large General Service customer class, and \$2.45 for each 1,000 kWh of usage per month for the Lighting customer class.

NOTICE IS ALSO HEREBY GIVEN that the Commission entered an Order in Docket No. E-2, Sub 1274 on November 8, 2021, after public hearing, approving changes in the Company's Joint Agency Asset Rider (JAAR), by customer class. These charges are associated with DEP's purchase of certain generating plants from North Carolina Eastern Municipal Power Agency following Commission review of DEP's costs through the 12-month period ended December 31, 2020. Effective as of December 1, 2021, the change in the monthly charge for residential customers is an increase of 0.103 ¢/kWh, including the regulatory fee. The impact on other customer classes varies based upon their rate schedules. Fuel savings associated with DEP's purchase of the generating plants are passed through to customers in DEP's fuel and fuel-related rates.

**NOTICE IS ALSO HEREBY GIVEN** that the Commission entered an Order in Docket No. E-2, Sub 1275, on November 18, 2021, after public hearing, approving competitive procurement of renewable energy (CPRE) rates (including regulatory fee) of

0.013 ¢/kWh, 0.014 ¢/kWh, 0.013 ¢/kWh, 0.012 ¢/kWh, and 0.010 ¢/kWh for the Residential, Small General Service, Medium General Service, Large General Service, and Lighting customer classes, respectively. The increase equates to approximately \$5.0 million on an annual basis in the rates and charges paid by the retail customers of DEP in North Carolina.

These changes are effective as of December 1, 2021. The rate increase was ordered by the Commission after a review of DEP's CPRE program expenses during the 12-month period ended March 31, 2021, and represents actual changes experienced by the Company with respect to its reasonable CPRE costs during the test period.

The changes in the approved CPRE rates described above will result in monthly net rate increases of approximately \$0.13 for each 1,000 kWh of usage per month for the Residential customer class, \$0.14 for each 1,000 kWh of usage per month for the Small General Service customer class, \$0.13 for each 1,000 kWh of usage per month for the Medium General Service customer class, \$0.12 for each 1,000 kWh of usage per month for the Large General Service customer class, and \$0.10 for each 1,000 kWh of usage per month for the Lighting customer class.

**NOTICE IS ALSO HEREBY GIVEN** that the Commission entered an Order in Docket No. E-2, Sub 1276 on November 18, 2021, after public hearing, approving changes in the Company's Renewable Energy and Energy Efficiency Portfolio Standard (REPS) riders by customer class. These charges are designed to collect approximately \$41 million of incremental costs incurred to comply with the REPS requirements, pursuant to N.C.G.S. § 62-133.8.

Effective as of December 1, 2021, the monthly REPS riders by customer class (including regulatory fee) are as follows: Residential, \$1.41 per month; General Service, \$7.40 per month; and Industrial Service \$49.42 per month. These monthly charges reflect increases by customer class of \$0.12 per month for Residential, \$0.42 per month for General Service, and \$1.54 per month for Industrial.

**THE OVERALL IMPACT** of the changes in all riders on a residential customer using 1,000 kWh per month, reflecting the combined effect of the changes in the fuel and fuel-related rate, the monthly REPS rate, the monthly JAAR rate, and the monthly CPRE rate, as described above, will be an increase of \$2.32 per month.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_th day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

## CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Proposed Notice to Customers and Request for Expedited Review, in Docket Nos. E-2, Subs 1272, 1274, 1275 and 1276, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 23<sup>rd</sup> day of November, 2021.

Robert W. Kaylor

Robert W. Kayla

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ATTORNEY FOR DUKE ENERGY PROGRESS, LLC